

LVMH - T2T Karen/Mathilde March 6th NYC

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Event Details

Logistics:

When : March 6th, 12pm

Where : [Restaurant Nobu Fifty Seven](#), 40W 57th St

LVMH Attendees

- [Mathilde Delhoume](#), LVMH Global Chief Brand Officer
20 yrs at P&G and 6 yrs at LVMH.
Education : Engineer (Chimie) + Business Master
An amazing mix of creative and analytical skills.
- (TBC) [Sarah Armitage](#), LVMH International Media Director LVMH
4 yrs in Agency, 13 yrs at advertiser (Dior and Clarins) and 9 yrs at LVMH
Education : BA in French
Super balanced in terms of color insights

Google Attendee

- Karen Sauder

Session objectives

- Give love / Show LVMH consideration from Google Top Management
- Share Google's vision
- Share benchmarks on all topics discussed. What do you see as best-in-class from your conversations with other GCAS accounts? This is what she valued most from her quarterly discussions with Kirk.

Questions Mathilde might want to discuss

- **Latest news** : Google (Bard, earnings, lays off, DOJ's lawsuit) - LVMH (earnings)
- **MultiSearch/Image Search**
For years, Mathilde has feared the roll out of the Lens feature that allows similar products to surface. She believes that a 30k\$ Dior dress that can be lensed and a similar Zara 30\$ dress that is being pushed is detrimental to luxury.
Suggested answer :
 - Our search engine continues to follow a "universality" principle.
 - Luxury has never feared to be a source of inspiration (except for counterfeit, of course). The success of a luxury good even sits in the number of copies it inspired
 - A luxury customer might not purchase a Zara red dress, if they were looking for a Dior-standing dress
 - What is at stake here is for LVMH Maisons to polish their product feeds (which has been a top priority of our partnership for 3 years). This will allow your products to surface when being lensed
- **What are the things LVMH is doing well vs. other GCAS accounts?**

LVMH is pioneering in Analytics. We're partnering very closely with them in the context of LVMH rolling out server-side tagging and additional controls to comply with CNIL requirements. LVMH approach is thoughtful, future-proof and might preserve them from upcoming turbulences created by regulators.

- **What are the things LVMH could do better?**

Measurement : LVMH is far from the CPG players maturity (meta tests > central guidelines > monitoring dashboards > and sometimes even teams/agencies incentives)

It is very much linked to LVMH HQ DNA (not prescriptive towards Maisons, no finger-pointing via dashboards, Maisons' independency)

Our plan is articulated around 1 Foundation (Future-proof analytics with GA4 / EC / CoMo) + 2 pillars (Long-term strategic planning with MMM and co + Intra-channel optimization with experiments)

2022 win : siloing these 3 work -streams with 3 expert teams at LVMH + having a Measurement governance.

- **Innovation**

Mathilde very clearly asked Lino to bring her more innovations (to help her shine internally). We took the feedback and our team will work on it in March. There are 2 challenges for us here : i. staying focussed on revenue-generating projects ii. LVMH HQ is not always very agile with innovative projects because of their cautiousness and the internal politics.

- On Feb 20th, Mathilde discussed with Lino the P&G recent case. [Here](#)

P&G have created an AI Studio tool to abbreviate the copy-testing process. What used to take 30 days and cost \$30,000 per ad tested is now a one-day, \$1,000 process.

- **AI for human creativity :**

Mathilde is no more skeptical about AI and understands that with a human guardrail, AI is an amazing tool that can assist creativity. We are currently trying to have Google Paris AI engineers to take a text briefing for a Rimowa video campaign and transform it into a video thanks to Imagen Video and Phenaki.

- **GCAS.** How do you see the GCAS mission within Google?

- **LVMH proxification (this topic would be brought by Sarah)**

Latest updates :

- Shift from Google compensating to Google rewarding LVMH for a great partnership and contributing to the SST roadmap since we consider LVMH as the #1 pioneer in the field and a key partner to Google
- [REDACTED] LVMH is happy with Google's contribution here.
- Successful meeting with Karen Stocks in Paris on Feb 20th (Sarah attended).
 - We heard their feedback on the privacy 2022 bumps.
 - Karen shared the GA4 vision
 - Karen reassured them on their top concerns
 - GA4 pricing
 - Google not taking enough into account the EMEA situation in the GA4 roadmap
 - Google not being reactive enough to EMEA DPA requirements
 - Google not talking enough to DPAs and especially CNIL)

Mathilde's Org : MRI (Media Research Image)

Her scope regroups 3 teams.

- **Media** : partnerships with digital platforms (Google, Meta, TT, Netflix, Disney) + Print + OOO (LOW INTEREST TO MD)
- **Research** : monitors Maisons' brand equity + provides insights to the Maisons on consumers (STRONG INTEREST TO MD)
- **Image** : acts as a consulting team advising LVMH Maisons on their branding strategy (STRONG INTEREST TO MD)

Her org is super lean. Very small team. Yet big challenge and direct exposition to Bernard Arnault.

Given her passion and background, Mathilde focusses on Research and Image teams and 100% relies on Sarah when it comes to Media (that's why Sarah might join).

Long-term brand desirability. This is her only mission at LVMH. Bernard Arnault appointed her to make sure LVMH Maisons make decisions that will enhance their brand desirability.

One thing she's very proud of is a methodology to measure long term brand desirability she's developed with IFOP (French Institute of Public Opinion, the reference survey group in FR). This provides LVMH once a year with a brand desirability score for each Maison in each country.

Their methodology was tailor-made for them by IFOP, after years of research. It is their secret sauce and they are very proud of it. They don't share a lot about it. It encompasses lots of criteria and aims at projecting the brand desirability on the mid/long term. We are just launching a project with them : an MMM that would allocate an ROI to each media lever depending on sales + Brand Desirability. The most challenging part is to find a suitable proxy for brand desirability. We are confident that Search lift can be a good starting point. Stay tuned!

Good to know when working with LVMH

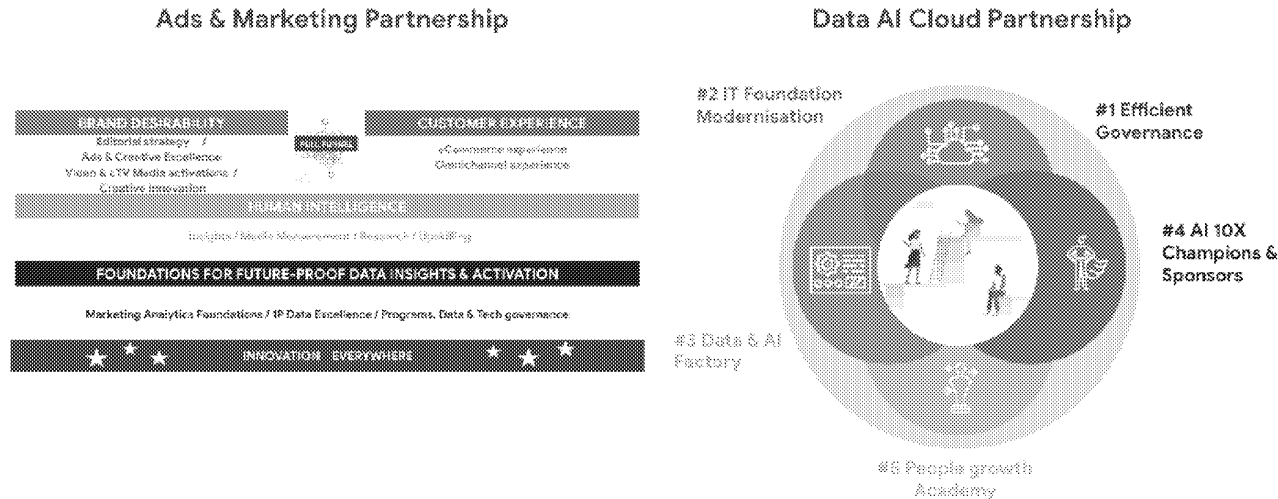
- We don't say "Brands", we rather say "Maisons"
- They are focused on 2 things : Brand Desirability and Customer Experience... and the revenue and profits follow

Mathilde's fads on which she's been advocating for long

- Long-term brand desirability.
- The best selling point for YT is cTV.
cTV is an amazing device for LVMH Maisons to enhance their brand desirability.
Mathilde had foreseen 5 years ago the rise of cTV and is very proud to have been a visionary.
LVMH Maisons use
 - TikTok to get discovered
 - YT to enhance brand desirability
 - IG is in-between : they used to be on IG for brand desirability but with the recent move of IG with Reels, IG is getting closer to TT... by the way, this IG move, which drives them away from their DNA, is perceived as not a smart move by Mathilde.
- AI+Human is the winning combo. Never let AI work without humans.
- Mathilde has an aversion for QVC, not appropriate at all for LVMH Maisons. We're being super cautious about how we bring YT shopping to them. We rather use the word "full funnel" than shopping

LVMH/GOOGLE PARTNERSHIP OVERVIEW

Leverage the Best of Google to build for LVMH strong competitive advantages
& contribute to LVMH Maisons brand desirability, customer experience and operational efficiencies



LVMH/Google Partnership highlights - Full JBP [here](#)

- [REDACTED]
- [REDACTED]

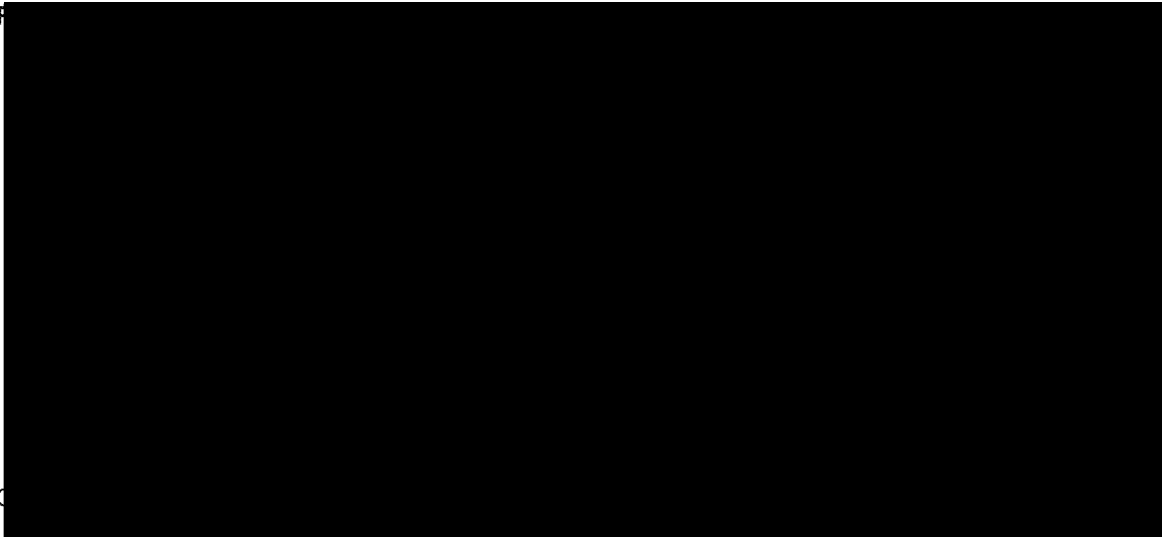
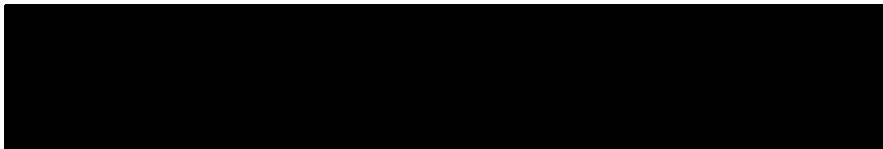
Focus on Ads & Marketing partnership

Our Ads & Marketing revenues with LVMH :

- [REDACTED]

	2022	2022 Y/Y	2021	2021 Y/Y
Total Annual Google Invest.				

Search					
Video					
Display					



Use cases bridging across Cloud and Ads & Marketing partnerships

- High expectations from LVMH on this topic have generated quite some frustration on their end.
- The GA/CNIL topic in 2022 has slowed down our projects.
- Since LVMH has decided to roll-out GA4 with server-side tagging in July 2022, our projects are accelerating again.

4 examples of projects that bridge the gap :

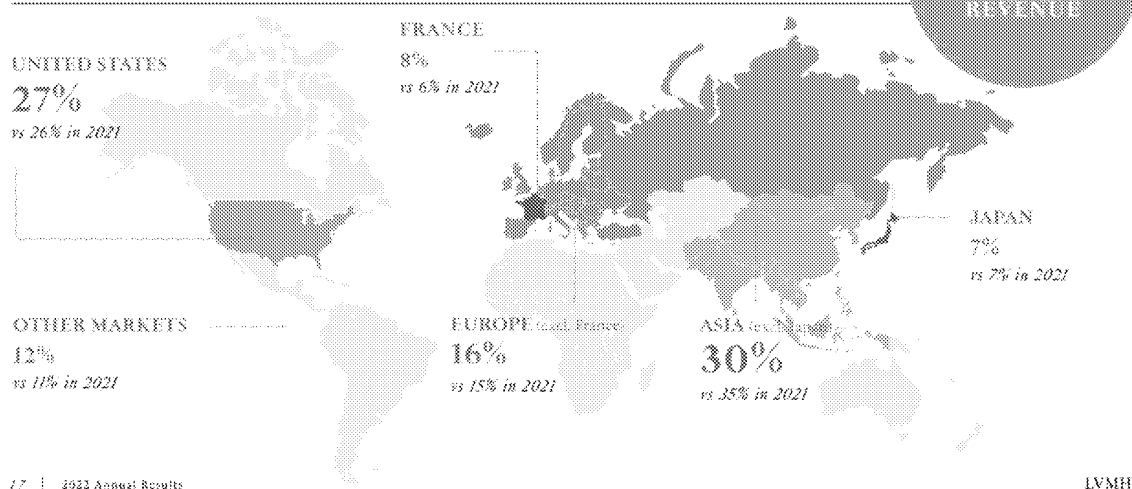
1. Guerlain uses AI (Big query and LVMH Data Factory DREAM algorithm that is built with GCP capabilities) to identify the customers with the highest propensity to purchase and retarget them. CPM decreased by [REDACTED] COS decreased by [REDACTED]. Delivered in 2021
2. We have put in place custom APIs (1 for DV360, 1 for Google Ads) to fuel at scale LVMH advertising with 1P data stored in ATOM, their in-house Data platform built on GCP capabilities.
3. We are leveraging Big Query to collect media data at scale and AI to spot discrepancies on LVMH media taxonomy compliance. Having a media taxonomy in place allows for benchmark and best practice sharing across the group.
4. Sephora US leveraging Cloud Reco AI API to inform their performance display (=remarketing shopping) creatives with GMP, so that the most relevant products are being displayed in the ad. Delivered in 2021

LVMH Group

- #1 Luxury group / #1 FR & Europe market cap (400 Bn€, x3.2 in 5 years)
- Founded in 1987. 76 Maisons across 6 divisions
(Fashion & Leather, Selective retail, Perfume & Cosmetics, , Watches & Jewelry, Wine & Spirits, Hospitality)
Most performing division : Fashion & Leather (Louis Vuitton, Dior, Celine, Loewe), almost 50% rev in 2022
- Values : Autonomy, Entrepreneurship, Excellence and Innovation/Creativity.
- CEO Bernard Arnault (aka Monsieur Arnault) main objective : "Focus on the long-term brand desirability and the customer experience and all else will follow"
- Group Managing Director : Antonio Belloni (aka "Toni")
- Business status : strong resilience during and after covid.
 - 2022 earnings : Rev : 79b€ (+23% vs. 2021) & Operating profit : 21b€ (+ 23% vs.2021)
 - Business model : 75% Direct-to-Consumer - 25% Sales via resellers // 13% ecommerce - 87% store sales
- Flagship Maisons
 - Louis Vuitton
 - Christian Dior
 - Tiffany & Co
 - Bulgari
 - Tag Heuer
- Most recent news
 - Pharell Williams appointed Louis Vuitton Men Creative Director
 - LVMH bought out Maison Minuty (Rosé vineyard based in Saint-Tropez)
 - Selected extracts from 2021 annual report below:

A well balanced geographic revenue mix

2022 revenue breakdown by region (in %)



Double-digit organic revenue growth in all business groups

2022 revenue by business group (in million of euros)

	2021	2022	2022 vs. 2021	
			Reported	Organic ^a
Wines & Spirits	5 974	7 099	+ 19%	+ 11%
Fashion & Leather Goods	30 896	38 648	+ 25%	+ 20%
Perfumes & Cosmetics	6 608	7 722	+ 17%	+ 10%
Watches & Jewelry	8 964	10 581	+ 18%	+ 12%
Selective Retailing	11 754	14 852	+ 26%	+ 17%
Other activities & eliminations	19	282	-	-
Total LVMH	64 215	79 184	+ 23%	+ 17%

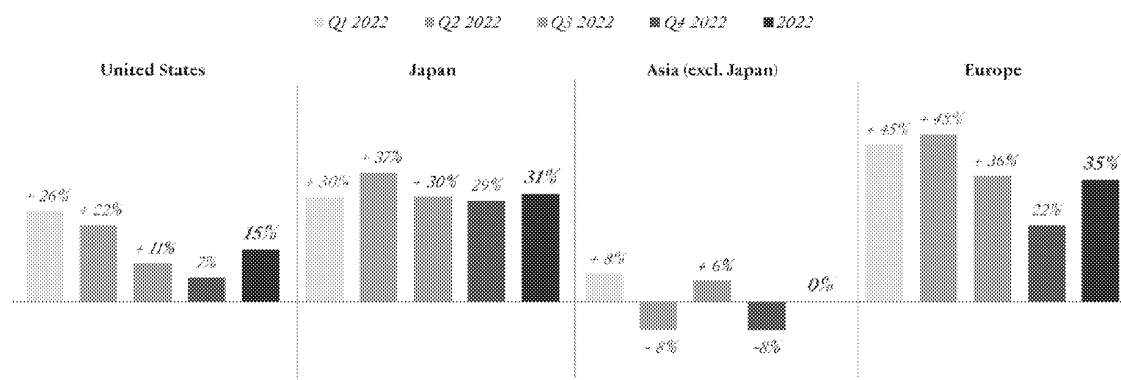
^a with comparable structure and exchange rates. The structural impact for the Group compared to 2021 was flat and the currency effect was +6%.

19 | 2022 Annual Results

LVMH

Sharp increase of revenue in Europe, the US, and Japan; Asia still impacted in Q4 by health situation in China

Quarterly revenue change by region (in %) organic change versus same period of 2021



18 | 2022 Annual Results

Téléchargements

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